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IJRDM
36,2

The dark side of retailing: towards a scale of corporate social irresponsibility

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Received October 2006

Revised January 2007

Accepted March 2007

Abstract

Purpose – Corporate social responsibility is becoming increasingly important in the retailing industry, whereby retailers are frequently criticized for socially irresponsible business practices by mass media and consumer advocacy groups. The purpose of this research is to find out which retail business practices lead to perceptions of corporate social irresponsibility (CSIR) from the customers' perspective and to develop a measurement scale for this construct.

Design/methodology/approach – Using quantitative data from a paper-based and an online survey, a higher-order, multi-group confirmatory factor analysis was conducted.

Findings – The research identifies 14 factors which represent perceptions of CSIR in retailing. A measurement scale of this construct is proposed and empirically validated. Demographic differences among consumers' CSIR perceptions are revealed.

Research limitations/implications – The scale remains to be validated in varying cultural settings other than the USA.

Practical implications – The findings provide retailers with a detailed account of business practices that consumers regard as socially irresponsible. The scale can be adopted by retailers in surveys to measure consumers' perceptions.

Originality/value – The paper is first in providing a conceptualization and measurement scale for CSIR which is of increasing importance for both retailing theory and practice.

Keywords Retailing, Corporate social responsibility, Ethics, Brand image, Individual perception, Consumer behaviour

Paper type Research paper

Introduction

Public concern and media coverage about corporate social responsibility (CSR) in the retailing industry has increased dramatically over the last years. Consequently, retailers frequently make an effort to demonstrate socially responsible behaviors to be perceived as good corporate citizens (Gunther, 2006). Several studies have investigated how consumers perceive the social responsibility of retailers (Lichtenstein *et al.*, 2004; Maignan, 2001). In doing so, existing work has been very successful in providing a solid understanding of how so-called CSR initiatives, such as donating money to charitable causes, are perceived by consumers. In this view, perceived CSR is a result of public-purpose marketing (Handelman and Arnold, 1999, p. 33) and represents the extent of “practices seen as good actions” (Lavorata and Pontier, 2005, p. 4). While it is important to understand the impact of those business practices representing “good things” (Brown and Dacin, 1997, p. 68), the underlying concept of CSR refers to both companies' responsibility to exert a positive impact and minimize its negative impact upon society (Pride and Ferrell, 2006), whereby consumers' perception of CSR builds



upon “all the information about a company that a person holds” (Brown and Dacin, 1997, p. 69; emphasis added), including both positive as well as negative information. However, despite increasing media coverage and criticism by consumer advocacy groups, little is known about consumers’ negative CSR perceptions of retailers from a theoretical perspective. That is, there does not seem to be a theoretical conceptualization and valid measurement scale capturing how consumers perceive the bad things that retailers do, which might for instance relate to how firms treat their employees, shape local communities, or use natural resources. Yet consumers:

- tend to be exposed to more negative than positive CSR information about retailers through mass media (Branch and Tkacik, 2003; Greenhouse and Barbaro, 2005; Sheban, 2006);
- are more likely to share negative than positive information with each other (Harmon and McKenna-Harmon, 1994; Richins, 1983); and
- exhibit stronger reactions to negative than to positive CSR information (Folkes and Kamins, 1999; Mohr and Webb, 2005; Sen and Bhattacharya, 2001).

Moreover, CSR seems to represent an important “hygiene factor” (Herzberg, 1966) in that positive CSR information does not substantially increase consumers’ support of retailers who generally provide a competitive market offer but negative CSR perceptions exert a “notably deleterious effect on high performance firms, such that the level of support they attract becomes barely distinguishable from that of a low performance firm” (Handelman and Arnold, 1999, p. 43). Given these critical characteristics of negative CSR, it seems reasonable to regard an exploration of consumers’ perceptions of CSIR in retailing as an important research goal.

A better understanding of perceived CSIR is essential for researchers and retail managers alike. It fills a current gap in a growing domain of the retailing literature and enables organization to identify critical actions or strategies which consumers regard as socially irresponsible. By taking first steps toward a better understanding of this “dark side” of corporate behavior, this research aims to develop a conceptualization and measurement scale for consumers’ perceptions of CSIR in retailing.

The remainder of this manuscript is organized as follows. First, relevant work on CSR is briefly discussed. Next, the results of a set of exploratory interviews are outlined which suggest the content domains of this construct. This is followed by the discussion of a quantitative investigation relating to the validation of a measurement model across two different samples. The paper closes by summarizing the key findings and suggesting implications for retail management and future research efforts.

Background

Ever since Bowen (1953, p. 6) recommended to “pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society,” CSR has stimulated a broad array of research efforts. The fundamental nature and conceptual foundations of CSR have been discussed extensively in the literature on management and ethics (Carroll, 1979, 1999; Clarkson, 1995; Garriga and Mele, 2004; Schwartz, 2003; Smith, 2003; Wartick and Chochran, 1985; Wood, 1991). However, no single conceptualization has emerged as the dominant approach in this line of research (Maignan and Ferrell, 2004).

Consumers' CSR perceptions

Since the early 1970s, marketing academics have been investigating CSR from the consumers' perspective (Anderson and Cunningham, 1972; Webster, 1975). In doing so, CSR has been acknowledged as a key component of a firm's image (Brown and Dacin, 1997; Girod, 2003), having a substantial impact upon consumer behavior. Specifically, perceived CSR influences consumers' attitudes including corporate (Brown and Dacin, 1997; Folkes and Kamins, 1999), brand (Klein and Dawar, 2004), and store evaluations (Lichtenstein *et al.*, 2004); customer-company identification (Sen and Bhattacharya, 2001); as well as causal attributions (Barone *et al.*, 2000; Becker-Olsen *et al.*, 2006; Sen *et al.*, 2006). Those attitudes, in turn, determine consumers' behavioral tendencies (Klein and Dawar, 2004; Salmones *et al.*, 2005). Empirical evidence relating CSR perceptions directly to behavioral variables provide mixed results. Whereas Mohr and Webb (2005) provide evidence for the impact of CSR perceptions on behavior, findings of other studies suggest a more idiosyncratic nature of this relationship (Sen and Bhattacharya, 2001; Webb and Mohr, 1998).

Overall, the extant marketing literature seems to conceptualize consumers' CSR perceptions in three different ways. Some studies measure the extent of global CSR perceptions (Berens *et al.*, 2005; Oppewal *et al.*, 2006). This uni-dimensional conceptualization refers to an overall assessment by consumers of how socially responsible certain retail organizations such as stores or shopping malls are. Other studies adopt a multi-dimensional approach and differentiate among several positive CSR domains such as firms' demonstrated ethical-legal responsibility, philanthropic responsibility, or ecological impact (Leigh *et al.*, 1988; Salmones *et al.*, 2005). In this view, consumers indicate their extent of favorable perceptions with regard to several specific CSR domains. Lastly, other studies assess how the valence of CSR perceptions impacts dependent variables of interest (Einwiller *et al.*, 2006; Folkes and Kamins, 1999; Klein and Dawar, 2004; Lichtenstein *et al.*, 2004). Here, experimental treatments contain positive, negative, or no CSR information with regard to one exemplary conceptual domain of CSR, thereby representing one "aggregate positive relationship" (Sen and Bhattacharya, 2001, p. 226). For instance, the levels of CSR information might relate to a company's fair (i.e. positive CSR) or unfair hiring practices (i.e. negative CSR), or no specific information about hiring procedures (i.e. control group). Such studies are not primarily concerned with how to measure CSR perceptions most adequately, but investigate how changes in the level of a specific piece of CSR-related information initiate a reaction by consumers.

CSR in retailing

Several scholars have looked at CSR in a retail context. Some authors adopt a conceptual approach on the issue and build a case of why CSR is an important issue for the individual retail organization (Girod, 2003; Hunt and Burnett, 1982). Other work concentrates on the corporate perspective, specifically, retailers' motivation to make an active effort to demonstrate CSR (Dornoff and Tankersley, 1975; Piacentini *et al.*, 2000), and how such initiatives are implemented in store concepts or communication strategies (Jones *et al.*, 2005a, b; Lavorata and Pontier, 2005). Research adopting a consumer perspective investigates the dimensionality and extent of consumers' positive CSR perceptions (Maignan, 2001) as well as the consequences of CSR perceptions including causal attributions, firm evaluations, and shopping behavior (Arnold *et al.*, 1996; Ellen *et al.*, 2006; Lichtenstein *et al.*, 2004). Specifically, work by

Handelman and Arnold (1999) suggest that negative perception of retailers' CSR can have a disastrous effect consumers' evaluations of a firm, as mentioned earlier.

However, to the authors' best knowledge there is no theoretical conceptualization and measurement scale of consumers' negative perceptions of CSR in retailing in the first place. As discussed earlier, the present research takes first steps towards closing this gap. In doing so, our focus goes beyond a general overall consumer evaluation. Subscribing to the view by Brown and Dacin (1997) that perceived CSR relates to all the information about a company available to a person, we try to identify the relevant conceptual dimensions of the CSIR construct in a retail context. We explore this issue with a series of exploratory consumer interviews.

Qualitative investigation

A qualitative research approach was employed initially to:

- establish a deepened understanding of the underlying dynamics of consumers' impressions of social responsibility in the retailing industry; and
- suggest the conceptual dimensions including corresponding relevant indicator variables of CSIR (Bonoma, 1985).

The collection and analysis of the qualitative data was conducted by a team of three experienced and trained market researchers. Following semi-structured interview guidelines, participants were asked to identify and elaborate on what they view as unethical or socially irresponsible business practices performed by retailers. Overall, 40 (non-student) consumers were depth interviewed in person. About 16 of the interviewees were male and the majority (29 subjects) was college educated. The average age of the interview participant was 37 years.

The qualitative data was subject to content analysis and categorization. In particular, the three researchers responsible for carrying out the interviews read through the transcripts thoroughly in a first step. Then, each team member identified recurring themes in the data, following the categorization process by Lincoln and Guba (1985). In doing so, general categories were derived based upon similar properties and specific statements were selected to represent each category, exhibiting the potential to be employed as an indicator variable. All members of the coding team discussed the findings in several sessions until a common agreement of the underlying categories and potential indicators of CSIR was established. Overall, the content analysis revealed 14 different CSIR factors, which are shown in our conceptual model in Figure 1. In line with the work of Bagozzi (1981), we use a higher-order factor structure to represent the overall construct and its conceptual components, which will be discussed in the sequel.

According to our interviews, consumers frequently maintain that retail business practices can be potentially harmful to the natural environment (NE). Such corporate actions relate to selling products whose production harms the NE (e.g. products made out of rainforest wood), producing extensive amount of waste, and contributing substantially to environmental pollution. There also appears to be substantial concern about how retailers shape local communities economically. Specifically, it has been criticized that national "big box" retailers have a negative impact on local small retail businesses, employing distinctive tactics to force competition into bankruptcy. Likewise, it is argued that such large retailers negatively impact local job markets in that they force local competitors to cut down their workforce and operate their own

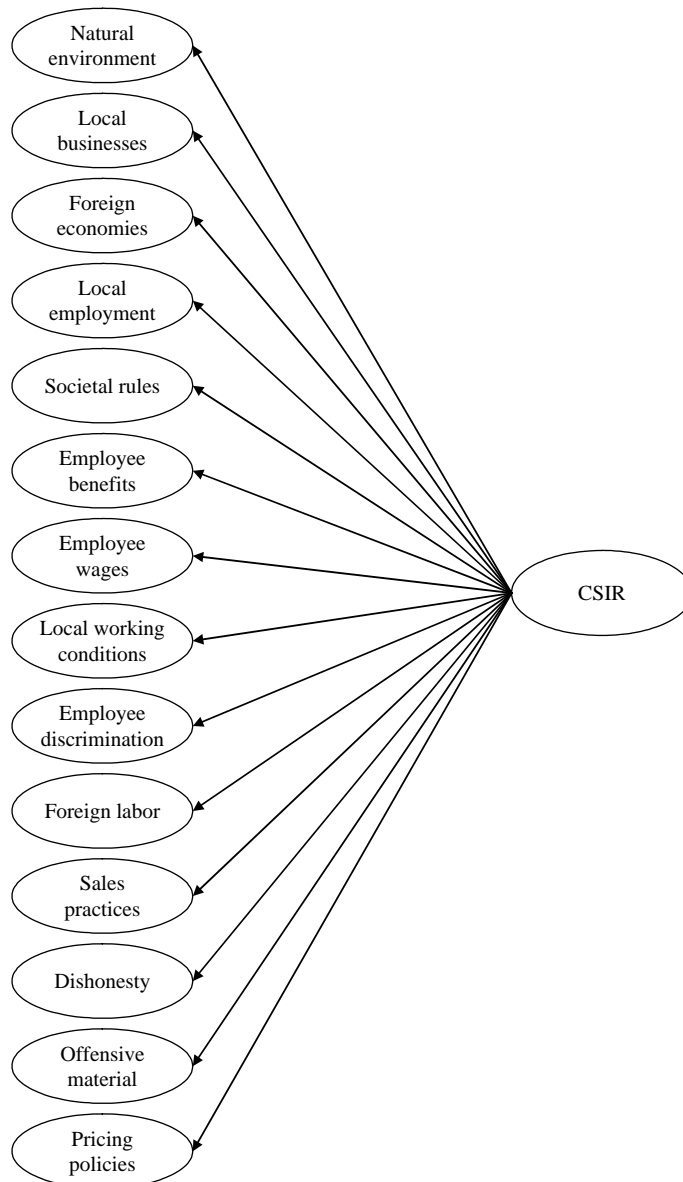


Figure 1.
Dimensions of CSIR

large facilities with a minimum of employees. Lastly, retailers are often criticized for not complying to the formal rules of a society (e.g. breaking or ignoring the law, cheating on taxes, paying bribes) and for supporting foreign economies (FE) instead of the domestic one through importing large amounts of goods from typically Asian countries. These findings relating to ethical issues in terms of protecting the NE as well as local economies and employment (David *et al.*, 2005; Jones *et al.*, 2005b), outsourcing

to foreign countries (Memery *et al.*, 2005), and complying with societies' formal rules (Salmones *et al.*, 2005) are consistent with the extant literature.

Furthermore, retailers were frequently criticized in the interviews for the way they are treating their store employees. Such behaviors include paying low wages, as well as providing very limited health-care benefits, poor working conditions (e.g. unclean or unsafe working environment), and unequal treatments to employees of different genders, race, age, or looks. Furthermore, retailers are often accused of taking advantage of "sweatshop" labor in developing countries, where individuals work for minimal pay under extremely poor working conditions. These findings representing peoples' concerns about employees' wages, benefits (Welford, 2005), and working conditions (Gildea, 1994), as well as criticism of employee discrimination (ED) (Maignan, 2001) and exploitation of foreign labor (FL) (Arthaud-Day, 2005) correspond to past research efforts.

Lastly, our interviews suggest that certain ways that retailers interact with their customers are regarded as socially irresponsible, including "pushy" sales practices (SP), whereby it is attempted to sell customers products they do not really need or can afford. Furthermore, retailers have been criticized for demonstrating dishonesty (DI) through making misleading claims in advertising or having sales people make false claims about products; exposing customers to offensive material (OM) (e.g. certain men's magazines, provocative promotional material); and employing unfair pricing policies (PR) (e.g. overpricing, differences in advertised and actual prices, inflated prices due to a monopolistic market position). Socially irresponsible business practices relating to overly aggressive SP (Carter and Jennings, 2004), DI demonstrated by misleading claims (Gildea, 1994), exposing consumers to offensive images and material (Whysall, 2000), and deceiving pricing tactics (Boal and Peery, 1985) are consistent with previous research.

Quantitative investigation

To establish and validate our measures of CSIR, we followed the scaling procedure demonstrated by Johnson *et al.* (2004), whereby a construct's conceptual dimensions and indicator variables are derived from exploratory interviews and validated by means of confirmatory factor analysis (CFA) (Finn and Kayande, 2004). Accordingly, a survey instrument was developed based upon the indicators derived from the exploratory investigation. A list of the items employed in the quantitative study can be found in the Appendix of this work. The questionnaire asked participants to indicate which of the specific business practices listed they personally regards as socially irresponsible. The Likert-type scale related to the statement "In my opinion, retail companies act socially irresponsible when . . ." followed by a listing of the respective item, and was anchored from 1 (I disagree completely) to 7 (I agree completely). To facilitate a cross-validation of the proposed structure, two different samples were collected, using different means of data collection (paper-based survey of students vs online survey of non-students). Both versions of the survey contained identical questions. Firstly, adequate study participants for an online survey were recruited by college students akin to Guiry *et al.* (2006). Specifically, undergraduate students enrolled in marketing classes at a major public university located in the Southwestern US recruited subjects for extra credit based on a provided list of criteria. For instance, participants in the survey had to be at least 21 years of age and could not be enrolled as full-time students at any university or college. As part of the online survey, all

participants provided their name and day-time telephone number and agreed to be called for the purpose of personal validation. A set of random follow-up phone calls indicated no problematic responses. Overall, $n = 331$ subjects completed the online survey. The sample characteristics demonstrate a balanced profile: the average respondent was 43 years of age, and 55 percent were female. Furthermore, a different set of students enrolled in undergraduate marketing classes at the same university filled out the paper-based version of the questionnaire in class and received extra credit for the exercise. Overall, $n = 343$ students provided us with usable responses to the paper-based survey. The student sample exhibits common characteristics: the average age was 21 years and 38 percent of respondents were female.

Results

Measurement model

We employed CFA to assess the proposed measurement structure, using LISREL 8.71. Specially, a higher-order, two-group CFA was conducted. The measurement properties of CSIR are listed in Table I.

The overall fit measures indicate that the hypothesized model is a good representative of the structures underlying the observed data ($\chi^2 = 5,855.29$, $df = 2,420$; NNFI = 0.97; CFI = 0.97; IFI = 0.97; RMSEA = 0.07). All loadings demonstrate a positive sign and substantial magnitude. Each higher and lower-order factor loading was significant at $p < 0.001$, providing evidence of convergent validity. Internal consistency was assessed in terms of construct reliability and variance extracted. All construct reliabilities were well above the 0.6 threshold and all extracted variances exceeded the critical value of 0.5 (Bagozzi and Youjae, 1988). Discriminant validity was supported in accordance to the Fornell and Larcker (1981) criterion. That is, for each pair of first-order factors, the average variance extracted was greater than the squared correlation. To assess cross-sample validity of our model, we followed the procedure suggested by Steenkamp and Baumgartner (1998) and demonstrated by Steenkamp *et al.* (2003) to establish configural and metric measurement invariance across multiple samples. Firstly, the results of our initial two-group CFA demonstrate a good overall model fit as well as statistical significance and substantial magnitude of all indicator variables, thus providing support of configural invariance. Secondly, another two-group CFA was conducted whereby all first- and second-order factor loadings were simultaneously constrained to be equal across the two samples. The constrained model also demonstrates an adequate overall fit ($\chi^2 = 6,028.17$, $df = 2,469$; NNFI = 0.97; CFI = 0.97; IFI = 0.97; RMSEA = 0.07). The fit indexes of the constrained model do not show a decline, thereby indicating satisfactory evidence for metric invariance (Hair *et al.*, 2006; Steenkamp *et al.*, 2003). Overall, evidence of convergent and discriminant validity, internal consistency, and measurement invariance was found for the proposed model. Table II shows the overall correlation matrix of our study.

Consumer perceptions

After employing a correlational perspective while validating the established scale, the question emerges how consumers' CSIR perception differ in terms of their magnitude. That is to say, to what extent do consumers regard the specific corporate behaviors investigated in the present work as socially irresponsible? To approach this question, we computed composite scores for each CSIR issue represented by the first-order factors of our model. Table III provides an overview of the overall construct means including their

Factor relationships	Higher-order factor loadings*		First-order factor loadings**		Construct reliability		Variance extracted	
	S I ^a	S II	S I	S II	S I	S II	S I	S II
CSIR ⇒ Natural environment	0.68	0.48	0.74-0.90	0.60-0.85	0.86	0.79	0.67	0.56
CSIR ⇒ Local businesses	0.64	0.55	0.69-0.97	0.64-0.96	0.91	0.88	0.72	0.66
CSIR ⇒ Foreign economies	0.62	0.33	0.87-0.92	0.71-0.89	0.95	0.90	0.81	0.69
CSIR ⇒ Local employment	0.77	0.74	0.87-0.90	0.77-0.84	0.94	0.85	0.79	0.59
CSIR ⇒ Societal rules	0.60	0.56	0.80-0.97	0.71-0.93	0.96	0.91	0.85	0.72
CSIR ⇒ Employee benefits	0.73	0.71	0.84-0.95	0.69-0.95	0.95	0.90	0.81	0.69
CSIR ⇒ Employee wages	0.80	0.82	0.87-0.94	0.71-0.86	0.94	0.87	0.81	0.63
CSIR ⇒ Local working conditions	0.85	0.76	0.75-0.93	0.70-0.85	0.93	0.88	0.72	0.61
CSIR ⇒ Employee discrimination	0.62	0.51	0.75-0.93	0.75-0.98	0.91	0.92	0.73	0.76
CSIR ⇒ Foreign labor	0.70	0.60	0.78-0.94	0.71-0.92	0.92	0.91	0.73	0.72
CSIR ⇒ Sales practices	0.44	0.49						

(continued)

Table I.
Measurement properties
of CSIR

Table I.

Factor relationships	Higher-order factor loadings*		First-order factor loadings**		Construct reliability		Variance extracted	
	S I ^a	S II	S I	S II	S I	S II	S I	S II
Sales practices			0.85-0.94	0.67-0.86	0.93	0.84	0.81	0.63
CSIR ⇒ Dishonesty	0.62	0.59	0.92-0.93	0.76-0.86	0.92	0.76	0.86	0.66
Dishonesty								
CSIR ⇒ Offensive material	0.53	0.41	0.82-0.92	0.72-0.91	0.91	0.88	0.77	0.71
Offensive material								
CSIR ⇒ Pricing policies	0.88	0.76	0.73-0.76	0.72-0.76	0.87	0.79	0.56	0.56
Pricing policies								
<i>Fit statistics</i>								
$\chi^2(2,420) = 5,855.29$								
$p < 0.01$								
NNFI = 0.97								
CFI = 0.97								
IFI = 0.97								
RMSEA = 0.07								

Notes: * All higher-order factor loadings are standardized and significant at $p < 0.01$; ** all first-order factor loadings are standardized and significant at $p < 0.01$; ^aS I denotes the online sample ($n = 331$); S II denotes the paper-based sample ($n = 343$)

	NE	LB	FE	LE	SR	EB	EW	WC	ED	FL	SP	DI	OM	PR
Natural environment (NE)	1													
Local businesses (LB)	0.45	1												
Foreign economies (FE)	0.28	0.52	1											
Local employment (LE)	0.37	0.63	0.63	1										
Societal rules (SR)	0.41	0.27	0.15	0.28	1									
Employee benefits (EB)	0.39	0.44	0.38	0.57	0.35	1								
Employee wages (EW)	0.37	0.47	0.43	0.64	0.33	0.68	1							
Local working conditions (WC)	0.47	0.42	0.27	0.47	0.66	0.57	0.58	1						
Employee discrimination (ED)	0.33	0.21	0.08	0.26	0.65	0.33	0.32	0.58	1					
Foreign labor (FL)	0.48	0.45	0.36	0.47	0.33	0.45	0.53	0.52	0.35	1				
Sales practices (SP)	0.21	0.30	0.21	0.38	0.06	0.28	0.38	0.19	0.13	0.25	1			
Dishonesty (DI)	0.34	0.30	0.25	0.30	0.56	0.39	0.34	0.60	0.46	0.28	0.18	1		
Offensive material (OM)	0.22	0.29	0.38	0.36	0.30	0.31	0.33	0.34	0.28	0.30	0.35	0.40	1	
Pricing policies (PR)	0.44	0.48	0.35	0.47	0.50	0.49	0.47	0.58	0.45	0.41	0.29	0.57	0.37	1

Corporate social
irresponsibility

Table II.
Correlation matrix

Table III.
Mean differences

Ranking	Overall (SD)	Gender		P	Age			P	
		Female	Male		F	<30	30-49		>49
1	6.43 (1.06)	6.57	6.30	10.75	6.28	6.54	6.80	13.13	<0.001
2	6.18 (1.26)	6.41	5.98	20.53	6.06	6.34	6.40	4.85	<0.01
3	5.94 (1.12)	6.25	5.69	49.61	5.77	6.14	6.34	15.66	<0.001
4	5.89 (1.30)	5.99	5.76	5.84	5.56	6.39	6.44	35.80	<0.001
5	5.65 (1.25)	5.91	5.42	27.84	5.40	6.02	6.08	21.24	<0.001
6	5.42 (1.24)	5.62	5.24	16.14	5.28	5.62	5.62	5.60	<0.01
7	5.39 (1.42)	5.80	5.03	53.16	5.25	5.62	5.67	6.11	<0.01
8	5.21 (1.48)	5.74	4.77	81.15	5.07	5.49	5.44	5.36	<0.01
9	5.21 (1.47)	5.64	4.84	53.78	5.17	5.32	5.29	0.56	NS
10	4.87 (1.51)	5.13	4.65	16.97	4.62	5.11	5.60	24.59	<0.001
11	4.86 (1.40)	5.20	4.57	36.88	4.78	4.93	5.15	3.51	<0.05
12	4.46 (1.70)	4.86	4.11	34.24	4.04	5.13	5.20	36.90	<0.001
13	4.35 (1.66)	4.69	4.07	24.42	4.11	4.72	4.89	14.87	<0.001
14	3.57 (1.77)	3.73	3.44	4.47	3.66	3.41	3.46	1.20	NS

respective importance rankings as well as mean differences in terms of consumers' gender and age, which were assessed by analyses of variance. In line with the rating scales employed in our survey, high values indicate strong perceptions of CSIR.

When looking at the importance rankings of the 14 CSIR factors, three different patterns of CSIR issues emerge. Firstly, the three factors ranking highest, including societal rules, ED, and local working conditions, all relate to essentially illegal corporate actions. Likewise, the following two factors corresponding to DI (e.g. making misleading claims) and unethical PR exhibit illegal characteristics since each of these activities can be interpreted as fraudulent corporate actions. Notably, the composite means of these factors tend to exhibit lower standard deviation than then the remaining issues listed. There appears to be a tendency that many study participants likewise regard these legally questionable corporate activities as socially irresponsible. Secondly, the factors representing ranks 6-11 are common ethical concerns as frequently pointed out by mass media and consumer activist groups. These "classical" CSR factors relate to the NE, employee benefits, FL, employee wages (EW), local businesses, as well as local employment. Thirdly, the last three positions of the ranking (i.e. OM, FE, and SP) have in common that they partially relate to consumers' own responsibility. Specifically, it may be argued that OMs, such as provocative (sexual) images or potentially offending merchandise (e.g. certain men's magazines), can be avoided by the consumer him or herself by refraining from patronizing respective stores. Likewise, many individuals are aware that corporate outsourcing to FE is ultimately related to consumers' distinctive preference for lower priced goods. In this view, retailers simply react to consumers' underlying demands. Also, aggressive SP may be related to personal responsibility since consumers ultimately make their consumption and purchasing decision themselves, whereby individuals might choose to avoid respective retail establishments or sales people. These three CSIR factors were rated the lowest in our study. Here, consumers appear to differ the most in terms of their agreement of what does and does not constitute socially irresponsible corporate behavior, as indicated by elevated levels of the scores' standard deviations. Some consumers regard these actions as ethically wrong, while others do not.

Moreover, Table III outlines that all 14 CSIR factors differ significantly between female and male respondents at the 5 percent level of statistical significance. Remarkably, females demonstrate higher values throughout all analyses and, thus, maintain superior concerns regarding the social responsibility of retailers. Also the analysis of age differences in the responses suggests a distinct tendency. Whereas two perceived CSIR issues, namely EW and SP, do not exhibit significant age effects, a comparison of the remaining 12 factors reveals interesting differences among consumers of varying ages. Overall, the findings strongly suggest a relationship between age and perceived CSIR, specifically, the older consumers get, the more they tend to regard certain corporate behaviors as socially irresponsible.

Discussion and implications

Media coverage and public criticism regarding various socially irresponsible business practices by retailers have increased exponentially over the last years. While academic research provides ample support showing that specific negative CSR information is highly influential on consumers, little is known about what constitutes perceived CSIR

from the consumers' perspective in the first place. That is, which corporate actions do consumers regard as socially irresponsible; how can one measure such perceptions quantitatively; and how do perceptions differ among various content dimensions and across key demographic criteria? The present research takes first steps toward closing this knowledge gap. Initially, the extant marketing and retailing literature was discussed regarding the impact of CSR perceptions on consumers' affective and behavioral reactions. Then, a series of exploratory interviews was conducted to gain a better understanding of the underlying dynamics of consumers' impressions of social responsibility in the retailing industry and to suggest the conceptual dimensions and indicator variables of CSIR. The core of this work represents a quantitative survey, conducted simultaneously by means of a paper based as well as an online questionnaire. This work contributes to the literature on retail marketing through providing a comprehensive conceptualization and cross-validated scale of consumers' perception of CSIR in retailing. Furthermore, it is revealed how CSIR perceptions differ across key demographic variables. The present study bears three implications for contemporary retail management.

First and foremost, this research provides retail management with a detailed account of which specific corporate behaviors consumers perceive as socially irresponsible. Since, perceived CSIR can have a quite negative impact on how consumers evaluate a particular retailer (Handelman and Arnold, 1999), it can be argued that the factors identified by this study represent important core requirements for retailers. In practice, retail organizations can formulate and implement distinct managerial guidelines corresponding to consumers' expectations as represented by the first-order factors or "CSIR issues" identified by this study. While our findings provide a comprehensive overview of the factors that are perceived as socially irresponsible, retailers will need to concentrate on the dimensions that are of relevance to their particular business activities.

Secondly, retailers can benefit from using the survey items listed in the Appendix of this work. These indicator variables can be employed in periodical or occasional market research studies. For instance, since CSR frequently represents an important image dimension of a firm (Brown and Dacin, 1997), conventional customer satisfaction surveys could be extended to include the measurement of perceived CSIR. In doing so, a retailer might measure the perception of CSIR in terms of selected actions of its own firm and possibly relevant competitors, as well as consumers' subjective importance of CSIR issues. In this way, a retailer could establish a two-dimensional "CSIR portfolio" relating to CSIR perceptions (own firm vs competitors) and CSIR importance (i.e. how relevant is a specific CSIR issue to the consumers). Here, retail management could identify critical areas of performance (i.e. bad CSIR perceptions of the firm relating to an area that is important to the consumers).

Thirdly, the findings suggest demographic differences can have relevant managerial implications. The results clearly suggest that female consumers are more sensitive to CSIR. This perceptual tendency may occur since women's personality traits tend to be less economically oriented and more philanthropically driven in comparison to men (Ibrahim and Angelidis, 1994). Hence, the more a retailer's target market consists of female consumers (e.g. The Body Shop, Victoria's Secret), the more CSR becomes a strategic issue and retailers ought to be cautious about avoiding business practices which could potentially be interpreted as socially irresponsible. Moreover, consumers tend to be more sensitive to CSIR with rising age. This finding seems plausible given that

with rising age, people tend to exhibit lesser degrees of Machiavellian orientation, become more critical of corporate efforts to demonstrate social responsibility (Arlow, 1991), and become increasingly concerned about their environment (Roberts, 1996). Thus, retailers which focus on a more mature target market (e.g. Barnes & Noble) should place a higher emphasis on the management of CSIR perceptions than firms that try to attract a younger customer base (e.g. Abercrombie and Fitch).

Limitations and future research

The limitations of our study provide some guidance for future research. Foremost among these limitations is the underlying sample size. Both the exploratory interviews and the quantitative main study are based upon convenience samples. While common in scholarly research of this kind, such samples do not facilitate making general inferences about a specific population in a strict statistical sense. This shortcoming is reduced by using two different means of data collection (paper-based and online questionnaire) and by probing consumers from varying backgrounds (students and non-students). However, additional empirical evidence is needed to enhance the generalizability of our findings. Specifically, the present study concentrates on consumers' CSIR perceptions in the USA. Yet in today's globalized market arena, many large retail organization operate internationally. Whereas it seems reasonable to expect the proposed scale to demonstrate validity in other cultural settings, further empirical research is needed in this area. Specifically, it would be interesting to compare the magnitude of responses across different countries. Such findings would exhibit a high-managerial relevance for international retailers, revealing which domestic retail market are most sensitive to CSIR and which issues are of particular relevance for consumers of different national backgrounds.

Another potentially interesting research avenue might consist of relating CSIR to actual shopping behavior. Whereas experimental research has demonstrated that the general valence of CSR can impact consumers' attitudes toward a firm and their behavioral intentions, the question emerges as to how CSIR predicts actual shopping behavior such as store visits, spending amounts, or repeat purchases at specific retailers. In doing so, it might be interesting to compare both positive CSR as opposed to CSIR perceptions in terms of their potential to predict shoppers' behavior in the market place.

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Appendix. Indicator variables of CSIR

Corporate social
irresponsibility

Factor	Items
Natural environment	Selling products whose production harms the natural environment ^a Producing extensive amounts of waste Contributing substantially to environmental pollution
Local businesses	Forcing local small businesses into bankruptcy Selling goods below cost to put local competitors out of business Creating a local monopolistic position for themselves Forcing local retailers into bankruptcy
Foreign economies	Shifting capital overseas Selling a majority of products built overseas Contributing significantly to the national trade deficit Buying from companies overseas instead of domestic companies
Local employment	Increasing unemployment in local communities Replacing existing jobs with lower wage jobs in local communities Causing local businesses to reduce jobs in local communities Reducing their own workforce in local communities
Societal rules	Cheating on taxes Paying bribes Ignoring the law Breaking the law
Employee benefits	Providing very limited benefits to employees Providing very limited medical insurance to employees Making health-care coverage very expensive for employees Referring employees to health care provided by the state instead of providing medical insurance themselves
Employee wages	Paying very low wages to employees Not paying employees living wages Paying employees less than the market average Paying employees not more than minimum wage
Local working conditions	Having employees work in an unclean environment Having employees work in an unsafe environment Treating employees disrespectfully Providing poor working conditions to employees Not allowing employees to take sufficient breaks
Employee discrimination	Discriminating employees based on race Discriminating employees based on gender Discriminating employees based on age Discriminating employees based on looks
Foreign labor	Paying extremely low wages to workers in developing countries Having workers in developing countries work under very poor conditions Having workers in developing countries work extensive hours Having workers in developing countries do a very heavy workload
Sales practices	Selling customers products they cannot afford Selling customers products they do not really need Selling customers products that are bad for their health
Dishonesty	Making misleading claims to customers through advertising Having sales people make false claims to customers about products

(continued)

Table AI.

Factor	Items
Offensive material	Exposing customers to provocative images through advertising Exposing customers to products that are offensive to some people Exposing customers to products and images that are not family friendly
Pricing policies	Overpricing products to customers Charging customers higher prices than originally advertised Charging customers high prices due to a monopolistic position

Note: ^aResponses to the question “In my opinion, retail companies act socially irresponsible when . . . < statement > ” were obtained using seven-point scales, anchored by 1 = I disagree completely and 7 = I agree completely

Table A1.

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